DISTRICT ATTORNEY OF THE EIGHTH JUDICIAL DISTRICT

Financial Statements and Supplemental Financial Information

December 31, 2004

Under provisions of state law, this report is a public document. Acopy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish cierk of court.

Release Date 7-13-05

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INDEPENDENT AUDITOR'S REPORT ON BASIC FINANCIAL STATEMENTS

District Attorney of the Eighth Judicial District Winnfield, Louisiana

I have audited the accompanying financial statements of the governmental activities of the District Attorney of the Eighth Judicial District as of and for the year ended December 31, 2004, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District Attorney of the Eighth Judicial District's management. My responsibility is to express opinions on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

The financial statements do not present "amount due other governmental units", a liability resulting from undistributed bail bond premiums in accordance with RS22:1065.1. The amount of this liability, which is considered material has not been determined.

In my opinion, except for the omission of "amounts due other governmental units" as discussed in the third paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the District Attorney of the Eighth Judicial District, Winn Parish, Louisiana, as of December 31, 2004, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the District Attorney of the Eighth Judicial District, Winn Parish, Louisiana, will continue as a going concern. As discussed in note 11 to the financial statements, the District Attorney of the Eighth Judicial District funded by the Winn Parish Police Jury has been reduced from past levels of funding. Spending levels of the District Attorney's Office has not been reduced to match current funding. The result is material overdrafts and significant outstanding payables by the District Attorney's Office. These questions raise substantial doubt about its ability to continue as a going concern. Management's plans regarding those matters are also described in note 11. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

_____MEMBER_ ——AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS—— SOCIETY OF LOUISIANA CERTIFIED PUBLIC ACCOUNTANTS In accordance with Government Auditing Standards, I have also issued my report dated June 15, 2005, on my consideration of the District Attorney of the Eighth Judicial District's internal control over financial reporting and on my test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of my audit.

The District has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments, as of December 31, 2004.

The management's discussion and analysis is not a required part of the basic financial statements but is supplementary information required by the Government Accounting Standards Board. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

John R. Vercher Jena, Louisiana June 15, 2005 Required Supplementary
Information

District Attorney of the Eighth Judicial District

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MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the District Attorney of the Eighth Judicial District's (hereafter referred to as "District Attorney") annual financial reports presents our discussion and analysis of the District Attorney's financial performance during the fiscal year that ended on December 31, 2004. Please read it in conjunction with the District Attorney's financial statements, which follow this section.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A. However, because this is the first year of implementing the new reporting model, certain necessary comparative information of the previous year was not prepared. Considering the financial resources necessary to prepare this information for the prior year, and that GASB Statement No. 34 permits the omission of the comparative information in the first year of adoption of the new reporting model, the District Attorney has elected to exclude the information in this report. Subsequent reports will include the comparative information.

FINANCIAL HIGHLIGHTS

In accordance with Government Accounting Standards Board Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments, the District Attorney has started to depreciate capital assets resulting in a calculation of depreciation expense and accumulated depreciation as of December 31, 2004.

The District Attorney experienced a decrease in its Net Assets of \$277,903 during the fiscal year ended December 31, 2004. As of December 31, 2004, the liabilities of the District Attorney exceeded its assets by \$379,577.

As of close of the fiscal year 2004, the District Attorney's governmental funds reported a combined ending fund deficit of \$395,099, a decrease of \$281,928 (249%).

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District Attorney's basic financial statements. The District Attorney's basic financial statements include three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains additional required supplementary information (budgetary schedules) in addition to the basic financial statements. These components are described below:

Basic Financial Statements

The basic financial statements include two kinds of financial statements that present different views of the District Attorney – the Government-wide Financial Statements and the Fund Financial Statements. These financial statements also include the Notes to the Financial Statements that explain some of the information in the financial statements and provide additional detail.

Government-wide Financial Statements

The government-wide financial statements provide a broad view of the District Attorney's operations in a manner similar to a private-sector business. The statements provide both short-term and long-term information about the District Attorney's financial position, which assists users in assessing the District Attorney's economic condition at the end of the year. These statements are prepared using the economic resources measurement focus and the accrual basis of accounting similar to methods used by most businesses. These statements report all revenues and expenses connected with the year even if cash has not been received or paid. The government-wide financial statements include two statements:

- The statement of net assets presents all of the District Attorney's assets and liabilities, with the difference between the two reported as "net assets." Over time, increases or decreases in the District Attorney's net assets may serve as a useful indicator of whether the financial position of the District Attorney is improving or deteriorating.
- The statement of activities presents information showing how the District Attorney's net assets changed during the most recent year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flow. Therefore, some revenues and some expenses that are reported in this statement will not result in cash flows until future years. This statement also presents a comparison between direct expenses and program revenues for each function of the District Attorney.

Governmental Activities – The activities in this section are mostly supported by taxes and intergovernmental revenue (grants). Most services normally associated with the District Attorney fall into this category, including general government.

The government-wide financial statements can be found immediately following this discussion and analysis.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District Attorney, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The fund financial statements focus on individual parts of the District Attorney government, reporting the District Attorney's operations in more detail than the government-wide statements. The funds of the District Attorney are presented as the following:

• Governmental Funds — Most of the basic services provided by the District Attorney are financed through governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources at the end of the year. Such information may be useful in evaluating the District Attorney's near-term financing requirements. This approach is known as using the flow of financial resources measurement focus and the modified accrual basis of accounting. These statements provide a detailed short-term view of the District Attorney's finances and assists in determining whether there will be adequate financial resources available to meet the current needs of the District Attorney.

Because of the focus of the governmental funds financial statements is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, users may better understand the long-term impact of the District Attorney's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statements of revenues, expenditures, and

changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and the governmental activities. These reconciliations are presented on the page immediately following each governmental funds financial statement.

The District Attorney has four governmental funds: the General Fund, the Pretrial Intervention Fund, the IV-D Fund, and the Worthless Check Fund. Each fund is considered a major fund for presentation purposes.

The basic governmental funds financial statements can be found immediately following the government-wide financial statements.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the funds financial statements.

Required Supplementary Information

The basic financial statements are followed by a section of required supplementary information. This section includes budgetary comparison schedules for the governmental funds. Annual budgets are prepared in accordance with the Generally Accepted Accounting Principles (GAAP).

FINANCIAL ANALYSIS OF GOVERNMENT-WIDE ACTIVITIES

Net Assets

Net assets may serve over time as a useful indicator of the District Attorney's financial position. The District Attorney's net assets totaled a deficit of \$379,577 at the end of fiscal year 2004.

\$15,522 (4.09%) of the District Attorney's net assets consists of investment in capital assets such building renovations and equipment and furniture. The District Attorney uses these capital assets to provide services to the citizens of Winn Parish; consequently, these assets are not available for future spending.

The other portion of the District Attorney's net assets, is unrestricted and may be used to meet the District Attorney's ongoing obligations to citizens and creditors at the discretion of the District Attorney. \$4,376 of the unrestricted net assets of the District Attorney consists of cash and demand deposits.

	Activities			
Current and Other Assets	\$	85,334		
Capital Assets		15,522		
Total Assets		100,856		
Current Liabilities		480,433		
Invested in Capital Assets - Net				
of Related Debt		15,522		
Unrestricted	_	(395,099)		
Total Net Assets	\$	(379,577)		

Changes in Net Assets

The District Attorney's net assets decreased by \$277,903 during the year ended December 31, 2004.

Approximately 15% (\$157,451) of the District Attorney's total revenues was derived through charges for services. The District Attorney received \$890,670 (85%) of its total revenues through operating grants and other contributions.

In fiscal year 2004, governmental activity expenses exceeded program revenues by \$277,903.

	Governmental Activities			
Revenues:				
Program revenues:				
Charges for services	\$	157,451		
Operating grants and contributions		890,670		
Total revenues		1,048,121		
Expenses:	·	•		
General government		1,326,024		
Total expenses	1,326,024			
Change in net assets		(277,903)		
Net assets - beginning of year	(101,674)			
Net assets - end of year	\$	(379,577)		

FINANCIAL ANALYSIS OF THE INDIVIDUAL FUNDS

As noted earlier, the District Attorney uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the District Attorney's governmental funds is to provide information on the near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District Attorney's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the District Attorney's net resources available for spending at the end of the year.

At the end of the current fiscal year, the District Attorney's governmental funds reported combined ending fund deficits of \$395,099, a decrease of \$281,928 in comparison with the prior year.

As of the end of the current year, the District Attorney's general fund, its chief operating fund, reported an ending fund deficit of \$332,443, a decrease of \$260,405 compared to the prior year.

GENERAL FUND BUDGETARY HIGHLIGHTS

Formal budgetary integration is employed as a management control devise during the fiscal year. The budget policy of the District Attorney complies with state law, as amended, and as set forth in Louisiana Revised Statutes Title 39, Chapter 9, Louisiana Local Government Budget Act (LSA – R.S. 39:1301 et seq.).

The District Attorney's budgets were amended because:

• General government expenditures were more than originally budgeted.

The actual revenues were \$81,620 below the original budgeted amounts and the actual expenditures were \$200,378 more than the original budgeted amounts.

CAPTIAL ASSET ADMINISTRATION

The District Attorney's investment in capital assets for its governmental activities as of December 31, 2004 totaled \$88,453, net of accumulated depreciation of \$72,931, leaving a book value of \$15,522. This investment in capital assets consists of building renovations and equipment and furniture.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The following economic factors were considered when the budget for the fiscal year ended December 31, 2005 was prepared:

- Revenues are expected to increase in 2005 due to litigation to force the Winn Parish Police Jury to fund those
 expenditures mandated by LA.R.S. 16:6.
- · Expenses are expected to remain consistent with the prior year

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

Our financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the District Attorney's finances and to show the District Attorney's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Terry Reeves, District Attorney, at the District Attorney of the Eighth Judicial District, PO Box 1374, Winnfield, Louisiana 71483, telephone number (318) 628-2141.

Basic Financial Statements

District Attorney of the Eighth Judicial District Winnfield, Louisiana Statement of Net Assets December 31, 2004

ASSETS		GOVERNMENTAL ACTIVITIES
	ͺ.	
Cash and Cash Equivalents	\$	4,376
Accounts Receivable		-0-
Intergovernmental Receivable		51,885
Due From Other Funds		29,073
Capital Assets, Net of Accumulated Depreciation		15,522
TOTAL ASSETS		100,856
LIABILITIES Cash Overdraft		51,116
Accounts Payable		224,841
Accrued Payroll Related Expenditures		140 ,790
Due to Other Funds		47,504
Restitution Due to Others	_	16,182
TOTAL LIABILITIES	-	480,433
NET ASSETS		
Invested in Capital Assets, Net of Related Debt		15,522
Unrestricted		(395,099)
TOTAL NET ASSETS	\$ _	(379,577)

District Attorney of the Eighth Judicial District Winnfield, Louisiana Statement of Activities Year Ended December 31, 2004

Functions/Programs	 Expenses	_	CHARGES FOR SERVICES	OPERATING GRANTS & OTHER CONTRIBUTIONS	NET (Expense) Revenue
Governmental Activities: General Government - Judicial	\$ 1,326,024	\$	157,451	\$ 890,670	\$ (277,903)
Change in Net Assets					(277,903)
Net Assets – Beginning of Year Net Assets – End of Year					\$ (101,674) (379,577)

District Attorney of the Eighth Judicial District Winnfield, Louisiana Balance Sheet – Governmental Funds December 31, 2004

ASSETS Cash and Cash Equivalents Receivables	GENERAL FUND	PRETRIAL INTERVENTION	IV-D FUND	WORTHLESS CHECK	GOVERNMENT
Intergovernmental Receivable Due From Other Funds TOTAL ASSETS	-0- \$ -0- 23,263 28,622 51,885	\$ -0-0-0-	-0- -0- 28,622 -0- 28,622	4,376 9-0- -0- 451 4,827	\$ 4,376 -0- 51,885 29,073 85,334
LIABILITIES AND FUND BALANCE					
LIABILITIES Cash Overdraft Accounts Payable Accrued Payroll Related Expenditures Due to Other Funds Restitution Due to Others TOTAL LIABILITIES Unreserved - Undesignated TOTAL LIABILITIES AND FUND RAYANGE	49,927 174,729 140,790 18,882 -0- 384,328 (332,443)	1,189 17,036 -0- -0- -0- 18,225 (18,225)	-0- -0- -0- -0- -0- -0- -0- -0- -0-	-0- -0- -0- 16,182 49,258 (44,431)	51,116 224,841 140,790 47,504 16,182 480,433 (395,099) (395,099)

The accompanying notes are an integral part of this statement.

District Attorney of the Eighth Judicial District Winnfield, Louisiana Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Assets Year Ended December 31, 2004

\$	(395,099)
	15.522
ę	(379,577)
	\$

District Attorney of the Eighth Judicial District Winnfield, Louisiana Statement of Revenues, Expenditures, and Changes in Fund Balance Year Ended December 31, 2004

The accompanying notes are an integral part of this statement.

District Attorney of the Eighth Judicial District Winnfield, Louisiana Reconciliation of the Statement of Revenues, Expenditures, & Changes in Fund Balances of Government Funds to the Statement of Activities Year Ended December 31, 2004

Net change in fund balance - total governmental funds		\$ (281,928)
Amounts reported for governmental activities in the statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount which capital outlays exceeded depreciation in the current period.		
Capital Outlays	6,534	4.005
Depreciation	(2,509)	4,025
Change in net assets of governmental activities		\$ (277,903)

(281 928)

District Attorney of the Eighth Judicial District Winnfield, Louisiana Statement of Fiduciary Net Assets December 31, 2004

	,	ASSET FORFEITURE AGENCY FUNDS
ASSETS	•	0.105
Cash & Cash Equivalents	\$	9,485
Due From 12%		18,431
TOTAL ASSETS		27,916
LIABILITIES		
Due to Other Agencies		19,836
To Be Adjudicated		8,080
TOTAL LIABILITIES	\$	27,916

Notes to the Basic Financial Statements

NOTES TO THE BASIC FINANCIAL STATEMENTS

INTRODUCTION

As provided by Article V, Section 26 of the Louisiana Constitution of 1984, the District Attorney has charge of every criminal prosecution by the State in his district, is the representative of the State before the Grand Jury in his district, and is the legal advisor to the Grand Jury. He performs other duties as provided by law. The qualified electors of the judicial district elect the District Attorney for a term of six years. The District Attorney currently employs 29 people.

1. SUMMARY OF SIGNIFICANT POLICIES

A. Basis of Presentation

The accompanying financial statements of the District Attorney of the Eighth Judicial District, a component unit of the Winn Parish Police Jury, have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, Basic Financial Statements-and Management's Discussion and Analysis for State and Local Governments, issued June 1999.

B. REPORTING ENTITY

The District Attorney is an independent elected official; however, the District Attorney is fiscally dependent on the Winn Parish Police Jury. The police jury and councils maintain and operate the parish courthouse in which the District Attorney's Office is located and provides funds for payroll and other expenses of the District Attorney's Office. In addition, the councils and police jury's financial statements would be incomplete or misleading without inclusion of the District Attorney. For these reasons, the District Attorney was determined to be a component unit of the Winn Parish Police Jury, the financial reporting entity of Winn Parish.

The accompanying financial statements present information only on the funds maintained by the District Attorney and do not present information on the police jury, the general governmental services provided by those governmental units, or the other governmental units that comprise the financial reporting entity.

C. FUND ACCOUNTING

The District Attorney uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions relating to certain District Attorney functions or activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

Governmental Funds:

General Fund

The General Fund was established in compliance with Louisiana Revised Statute 15:571.11, which provides that 12 percent of the fines collected and bonds forfeited be transmitted to the District Attorney to defray the necessary expenditures of his office.

NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)

Worthless Check Special Revenue Fund

The Worthless Check Collection Fee Special Revenue Fund consists of fees collected in accordance with Louisiana Revised Statute 16:15, which provides for a specific fee whenever the District Attorney's office collects and processes a worthless check. Expenditures from this fund are at the sole discretion of the District Attorney and may be used to defray the salaries and expenses of the office of the District Attorney, but may not be used to supplement the salary of the District Attorney.

Title IV-D Special Revenue Fund

The Title IV-D Special Revenue Fund consists of incentive payments and reimbursement grants from the Louisiana Department of Social Services, authorized by Act 117 of 1975, to establish family and child support programs compatible with Title IV-D of the social security act. The purpose of the fund is to enforce the support obligation owed by absent parents to their families and children, to locate absent parents, to establish paternity, and to obtain family and child support.

Pre-Trial Intervention Fund Special Revenue Funds

The pre-trial intervention program is a diversion program which is offered to selected offenders as an alternative to prosecution. Individuals who volunteer to participate in the program are assessed a fee and receive coordinated assistance in job placement, educational and vocational referrals, personal and group counseling, and referrals to other community agencies appropriate to their needs. Fees received may be used for any purpose at the sole discretion of the District Attorney.

Fiduciary Funds:

Agency Fund

Agency funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments and other funds.

Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Asset Forfeiture Fund

The Asset Forfeiture Fund is used as a depository for assets seized by local law enforcement agencies. Upon order of the district court, these funds are either refunded to the litigants or distributed to the appropriate recipient, in accordance with applicable laws.

NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and the Statement of Activities display information about the District Attorney as a whole. These statements include all the financial activities of the District Attorney. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions.

Program Revenues - Program revenues included in the Statement of Activities are derived
directly from users as a fee for services; program revenues reduce the cost of the function to be
financed from the District Attorney's general revenues.

Fund Financial Statements (FFS)

The amounts reflected in the General Fund of the Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the District Attorney's operations. (See the reconciliation statements).

The amounts reflected in the General Fund and Special Revenue Funds in the FFS use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District Attorney considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt, which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Revenues are recognized when they become both measurable and available to finance expenditures of the current period. Certain revenues are assessed and collected in such a manner that they can be accrued appropriately.

Commissions on the fines and forfeitures are recorded in the year they are collected by the tax collector, and intermediary collecting government.

Intergovernmental revenues are recorded when the District Attorney is entitled to the funds,

NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, if measurable.

Other Financing Sources (Uses)

Transfers between funds, which are not expected to be repaid, and proceeds from the sale of assets are accounted for as other financing sources (uses).

E. BUDGETS

The District Attorney adopts a budget prior to January 1 of each year for the General Fund and the Special Revenue Funds in accordance with Louisiana Revised Statutes. The operating budget is prepared based on prior year's revenues and expenditures and the estimated increase therein for the current year, using the modified account basis of accounting. The budget must be adopted and available for public inspection. Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts and all subsequent amendments. The budget was amended during the year. All budget appropriations lapse at year end.

F. DEPOSITS AND INVESTMENTS

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the District's investment policy allow the District to invest in collateralized certificate of deposits, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities.

Investments (bank certificate of deposits in excess of 90 days) for the District are reported at fair value.

G. RECEIVABLES AND PAYABLES

All trade and other receivables are shown net of an allowance for uncollectives.

H. CAPITAL ASSETS

Capital Assets, which include property and equipment, are reported in the applicable columns in the government-wide financial statements. Capital assets are capitalized at historical cost. The District maintains a threshold level of \$500 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

All Capital Assets, other than land, are depreciated using the straight-line method over the following useful lives:

Description	Estimated Lives
Vehicles	3 years
Equipment	7 years
Renovations	10 years

NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)

I. LONG-TERM OBLIGATIONS

The District has no long-term debt.

J. ESTIMATES

The preparation of financial statements inconformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

K. COMPENSATED ABSENCES

Full-time employees of the District Attorney's Office earn ten days vacation leave and six days sick leave each year. Vacation leave may not be accumulated and lapses at the end of each fiscal year. Sick leave may be accumulated up to a maximum of thirty days. GASB Statement 16 provides for the accrual of earned sick leave only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness. Since the District Attorney does not provide termination payments for sick leave, no accrual of liability for earned sick leave has been presented in the financial statements. The cost of current leave privileges is recognized as a current-year expenditure in the General fund when leave is actually taken.

2. CASH AND INVESTMENTS (CD'S IN EXCESS OF 90 DAYS)

At December 31, 2004, the District has cash and investments (bank balances) totaling \$ 13,682 as follows:

Demand Deposits	\$ 13,682
Total	\$ 13,682

These deposits are stated at cost, which approximated market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2004, the District had \$ 13,682 in deposits (collected bank balances). These deposits are secured from risk by \$ 13,682 of federal deposit insurance and \$ -0- of pledged securities held by the custodial bank in the name of the fiscal agent bank.

NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)

Cash and investments are categorized into these three categories of credit risk:

- 1. Insured or registered, or securities held by the District or its agent in the District's name.
- 2. Uninsured and unregistered, with securities held by the counter party's trust department or agent in the District's name.
- 3. Uninsured and unregistered, with securities held by the counter party, or by its trust department or agent but not in the District's name.

			Category		Fair Market
Type of Investment		1	 2	3	Value
FDIC	s	13,682	\$ -0-	\$ -0- , \$	13,682
Securities		-0-	-0-	-0-	-0-
Total	\$	13,682	\$ -0-	\$ -0- \$	13,682

3. <u>RECEIVABLES</u>

The intergovernmental receivables (net of allowances for uncollectables of -0-) were \$51,885 as of December 31, 2004. Allowances for uncollectables were determined not to be material and thus are not presented.

4. <u>CAPITAL ASSETS</u>

Capital assets and depreciation activity as of and for the year ended December 31, 2004, for the primary government is as follows:

		Beginning of Period	_	Additions	Deletions Transfers	_	End of Period
Capital assets being depreciated:							
Building Renovations	\$	7,431	\$	-0-	\$ -0-	\$	7.431
Equipment & furniture		74,488		6,534	-0-		81,022
Total capital assets being depreciated	s [—]	81,919	\$ ~	6,534	\$ -0-	\$	88,453
Less accumulated depreciation:		70,422		2,509	-0-		72,931
Total assets being depreciated, net	s	11,497				\$_	15,522

5. <u>ACCOUNTS AND OTHER PAYABLES</u>

The payables of \$381,813 at December 31, 2004 are as follows:

140,790
16,182
381,813

NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)

6. PENSION PLANS

The District Attorney participates in two cost-sharing multiple employer, statewide retirement systems (PERS) for its employees. The District Attorney and the Assistant District Attorneys are members of the Louisiana District Attorney's Retirement System. Other employees of the District Attorney's office are members of the Parochial Employees Retirement System of Louisiana, Plan A. These Retirement systems are cost-sharing, multiple employer, statewide retirement systems which are administered by separate boards of trustees. The contributions of participating agencies are pooled within each system to pay the accrued benefits of their respective participants. The contribution rates are approved by the Louisiana Legislature.

Each system provides for employer and employee contributions based on a percentage of gross earnings as follows:

	EMPLOYER	<u>EMP</u> LOYEE
Parochial Employees Retirement System	11.75%	9.5%
District Attorney's Retirement System	3.75%	7.00%

In addition to the contributions shown above, each system receives a share of the aggregate amount of the ad valorem taxes shown to be collected by the tax roll of each respective parish.

District Attorney's Retirement System

Generally, all persons who are District Attorneys of the State of Louisiana, Assistant District Attorneys in any parish of the State of Louisiana, or employed by the retirement system of the Louisiana District Attorney's Association are eligible to participate in this system.

Assistant District Attorneys who earn, a minimum, the amount paid by the state for Assistant District Attorneys and are under the age of 60 at the time of original employment and all District Attorneys are required to participate in the System. For members who joined the System before July 1, 1990, and who elected not to be covered by the new provisions, the following applies: Any member with 23 or more years of creditable service regardless of age may retire with a 3 percent benefit reduction for each year below age 55, provided that no reduction is applied if the member has 30 or more years of service. Any member with at least 18 years of service may retire at age 55 with 3 per cent benefit reduction for each year below age 60. In addition, any member with at least 10 years of service may retire at age 60 with 3 percent benefit reduction for each year retiring below the age of 62. The retirement benefit is equal to 3 percent of the member's average final compensation multiplied by the number of years of his membership service, not to exceed 100 percent of his average final compensation.

For members who joined the System after July 1, 1990, or who elected to be covered by the new provisions the following applies: Members are eligible to receive normal retirement benefits if they are age 60 and have 10 years of service credit, are age 55 and have 24 years of service credit, or have 30 years of service credit regardless of age. The normal retirement benefit is equal to 3.5 percent of the member's final-average compensation multiplied by years of membership service. A member is eligible for early retirement if he is age 55 and has 18 years of service credit. The early retirement benefit is equal to the normal retirement benefit reduced 3 percent for each year the member retires in advance of normal retirement age. Benefits may not exceed 100 percent of average final compensation. The System also provides death and disability benefits. Benefits are established or amended by state statute.

NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)

Contributions to the System include .2 percent of the ad valorem taxes collected throughout the state and revenue sharing funds as appropriated by the legislature. The .2 percent is the statutory set rate that can be adjusted by the Public Retirement System's Actuarial committee. State statute requires covered employees to contribute 7 percent of their salaries to the System and requires each District Attorney to provide employer contributions as needed to actuarially fund the System.

The District Attorney's Retirement System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana District Attorneys Retirement System, 2109 Decatur Street, New Orleans, Louisiana 70116-5,7651, or by calling (225) 267-4824.

Parochial Employees Retirement System

Substantially all employees of the District Attorney of the Eighth Judicial district are members of the Parochial Employees Retirement System of Louisiana (System), a multiple-employer (cost-sharing), public employee retirement system (PERS), controlled and administered by a separate board of trustees. The System is composed of two distinct plans, Plan A, and Plan B, with separate assets and benefit provisions. All employee members participate in Plan A.

All permanent employees working at least 28 hours per week who are paid wholely or in part from parish funds and all elected parish officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 50 with a least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with a least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 per cent of their final-average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only before January 1, 1980, the benefit is equal to one per cent of final average salary plus \$24 for each year of supplemental-plan-only service earned before January 1, 1980. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

Contributions to the System include one-fourth of one per cent of the taxes shown to be collectible by the tax rolls of each parish, except Orleans and East Baton Rouge Parishes. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. State statute requires covered employees to contribute a percentage of their salaries to the System. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year.

The Parochial Employees Retirement System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System, P. O. Box 14619, Baton Rouge, Louisiana, 70898-4619, or by calling (225) 923-0933.

NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)

7. OPERATING LEASES

The District Attorney is obligated under certain leases accounted for as operating leases. Operating leases do not give rise to property rights or lease obligations, and therefore, the results of the lease agreements are not reflected in the account groups.

The minimum annual commitments under operating leases are as follows:

YEAR ENDED DECEMBER 31,		AUTOMOBILE
2005	- s-	6,527
Total	\$_	6,527

8. EXPENSES AND DEBT SERVICE OF THE DISTRICT ATTORNEY NOT INCLUDED IN THE FINANCIAL STATEMENTS

The accompanying financial statements do not include certain expenses and debt service of the District Attorney paid out of the funds of the criminal court fund of the Police Jury of Winn Parish or directly by the State of Louisiana.

9. AGENCY FUND

Asset Forfeiture Fund

The Asset Forfeiture Fund is used as a depository for assets seized by local law enforcement agencies. Upon order of the district court, these funds are either refunded to the litigants or distributed to the appropriate recipient, in accordance with applicable laws.

Receipts	\$	6,952
Disbursements	S	36,167

10. TRANSFERS

Transfers are made between funds for the operation of the district.

11. GOING CONCERN IMPLICATIONS

Funding from the Winn Parish Police Jury to the District Attorney of the Eighth Judicial District, Winn Parish, Louisiana, has been cut significantly from past funding levels. This has resulted in significant overdrafts by the District Attorney's Office and significant outstanding or unpaid bills (accounts payable). The District Attorney's Office is entering into litigation with the Winn Parish Police Jury to have its funding restored to past funding levels.

NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)

12. FEDERAL FINANCIAL ASSISTANCE PROGRAM

The District Attorney participates in the United States of America Department of Health and Human Services Support Enforcement, Title IV-D Program, Catalog of Federal Domestic Assistance Number 93.563. This program is funded by indirect assistance payments, in the form of reimbursements of a portion of certain expenditures, received from the Louisiana Department of Social Services. For the year ended December 31, 2004, the District Attorney for the Eighth Judicial District expended \$296,633 in reimbursement payments.

There are no restrictions on how reimbursement payments may be expended, except as may be required by state law for any other funds of the district attorney. However, these payments may be subjected to further review and audit by the federal grantor agency.

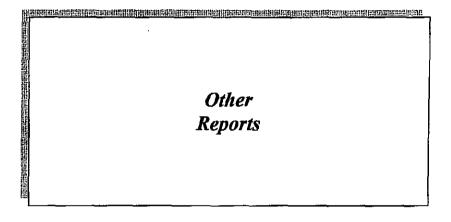
13. DUE FROM, DUE TO OTHER FUNDS

		2004			
	_	Interfund Receivables	_	Interfund Payables	
General Fund	\$ -	28,622	\$	18,882	
Worthless Checks		451		-0-	
IV-D Fund		-0-		28,622	
Asset Forfeiture		18,431		-0-	
Total	\$	47,504	\$	47,504	

Required Supplementary Information

District Attorney of the Eighth Judicial District Winnfield, Louisiana Governmental Funds Budgetary Comparison Schedule Year Ended December 31, 2004

	BUDGETED AMOUNTS					VARIANCE WITH		
	_	Original		FINAL		ACTUAL	-	FINAL BUDGET FAVORABLE (UNFAVORABLE)
REVENUES	er.	400.041	•	(06.221	•	E00 750	•	. (45.617)
Intergovernmental	\$	488,041	\$	626,371	\$	580,758	\$	(45,613)
Commissions on Fines		125,200		159,850		157,451		(2,399)
Police Jury		506,500		490,605		243,116		(247,489)
Donations		-0-		64,600		64,679		79
Interest Income		-0-		-0-		610		610
Other Income	_	10,000		4,000		1,507		(2,493)
TOTAL REVENUES	_	1,129,741		1,345,426		1,048,121	•	(297,305)
Expenditures								
Travel		3,000		6,000		7,262		(1,262)
Lodging & Meals		38,000		71,000		72,215		(1,215)
Auto Expense		30,900		27,500		27,208		292
Auto Lease		8,000		9,500		9,428		72
Supplies		12,000		15,500		32,348		(16,848)
Law Library		5,000		22,000		29,933		(7,933)
Public Education		35,000		33,000		39,989		(6,989)
Legal & Accounting		18,200		9,500		29,359		(19,859)
Insurance		72,010		55,450		63,209		(7,759)
Dues & Subscriptions		7,000		8,700		9,092		(392)
Equipment		7,500		6,700		6,534		166
Equipment Lease		5,600		2,000		9,468		(7,468)
Bank Fees		1,000		17,300		17,981		(681)
Office Expenditures		41,000		44,800		62,756		(17,956)
Miscellaneous		5,000		1,250		1,306		(56)
Restitution		-0-		1,000		1,000		` <i>-</i> 0-
Penalties		-0-		7,000		6,800		200
Conventions & Seminars		6,000		11,100		11,192		(92)
Payroll Expenditures		834,461		876,200		892,969		(16,769)
TOTAL EXPENDITURES		1,129,671		1,225,500		1,330,049		(104,549)
OTHER FINANCING SOURCES (USES)								
Transfers In		-0-		403,225		321,086		(82,139)
Transfer Out		-0-		(403,225)		(321,086)		82,139
TOTAL OTHER FINANCING SOURCES (USES)		-0-		-0-	,	-0-	-	-0-
•					•		_	
EXCESS (DEFICIENCY) OF REVENUES & OTHER								
Sources Over (Under) Expenditures &					_		_	
OTHER USES	\$	70	\$	119,926	\$	(281,928)	\$.	(401,854)
FUND BALANCE - BEGINNING OF YEAR						(113,171)		
FUND BALANCE - END OF YEAR					\$	(395,099)		
					-			



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

District Attorney of the Eighth Judicial District Winnfield, Louisiana

I have audited the financial statements of the governmental activities of the District Attorney of the Eighth Judicial District as of and for the year ended December 31, 2004, which collectively comprise the District Attorney of the Eighth Judicial District's basic financial statements and have issued my report thereon dated June 15, 2005. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District Attorney of the Eighth Judicial District's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards, except as follows and discussed in the accompanying schedule of findings and questioned costs:

- 2004-C-1 Bonuses Paid to Employees
- 2004-C-2 Documentation of Expenditures
- 2004-C-3 Excessive Travel and Conference Expenditures
- 2004-C-4 Excess Employees
- 2004-C-5 Transfers From Asset Forfeiture (Fiduciary Fund) to the General Fund(12% Fund)
- 2004-C-6 Budget Variances

Internal Control Over Financial Reporting

In planning and performing my audit, I considered District Attorney of the Eighth Judicial District's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, I noted certain matters involving the internal control over financial reporting and its operation that I consider to be reportable conditions. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgment, could adversely affect District Attorney of the Eighth Judicial District's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items:

• 2004-I-1 Reporting Errors

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, I believe none of the reportable conditions described above is a material weakness.

This report is intended for the information of management, and the Legislative Auditor's Office. However, this report is a matter of public record and its distribution is not limited.

John R. Vercher June 15, 2005 Jena, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COST For the Year Ended December 31, 2004

I have audited the basic financial statements which collectively comprise the District Attorney of the Eighth Judicial District as of and for the year ended December 31, 2004 and have issued my report thereon dated June 15, 2005. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My audit of the financial statements as of December 31, 2004 resulted in a qualified opinion.

Section I Summary of Auditor's Reports

a.	Report on Internal Control and Compliance Material to the Financial Statements
	Internal Control Material Weaknesses Yes No Reportable Conditions Yes No
	Compliance Compliance Material to Financial Statements Yes No
b.	Federal Awards – (Not Applicable)
	Internal Control Material Weaknesses Yes No Reportable Conditions Yes No
	Type of Opinion On Compliance Unqualified Qualified For Major Programs Disclaimer Adverse
	Are the findings required to be reported in accordance with Circular A-133, Section .510(a)?
	☐ Yes ☐ No
c.	Identification Of Major Programs:
CF	DA Number (s) Name Of Federal Program (or Cluster)
	llar threshold used to distinguish between Type A and Type B Programs: \$ he auditee a 'low-risk' auditee, as defined by OMB Circular A-133? Yes No

SCHEDULE OF FINDINGS AND QUESTIONED COST – (CONT.) For the Year Ended December 31, 2004

Section II Financial Statement Findings Required To Be Reported In Accordance With GAGAS

Reference	Description of Finding	Recommendation		
2004-C-1	Bonuses Paid to Employees The District Attorney's Office paid one time payments that appear to be bonuses to twenty of its employees for a total cost to the Office of \$4,871 in December of 2004. Article V11R7 Section 14 of the Louisiana Constitution of 1974 prohibits bonuses being paid to employees.	The District Attorney's Office should discontinue paying employees bonuses.		
2004-C-2	Documentation of Expenditures The auditor reviewed 100% of travel expenditure documentation and found that 43% of the expenditures had insufficient documentation and practically all of the expenditures lack sufficient documentation as to the persons or employees involved and the business purpose of the expenditure. Further, a random sample of all other expenditures show that 16% lacked adequate documentation describing the expenditure.	an invoice describing the items purchased e and all travel invoices be documented as to the employees or persons the travel pertains e and the business purpose of the expenditure.		
2004-C-3	Excessive Travel and Conference Expenditures The financial statements show that the District Attorney's Office spent \$117,877 on travel, meals, lodging, auto expense and conferences during the year. The auditor feels that the amounts of these expenditures, particularly in view of the current financial problems being experienced by the District Attorney's Office, does not meet the definition of "reasonable and necessary" expenses for the proper administration of the District Attorney's Office.	The Office should cut its travel expense budget to that level absolutely necessary to administer the District Attorney's Office.		

SCHEDULE OF FINDINGS AND QUESTIONED COST – (CONT.) For the Year Ended December 31, 2004

Reference	Description of Finding	Recommendation
2004-C-4	Excess Employees	
	The auditor, through inquiry, performed a comparative analysis with Grant and LaSalle Parish District Attorney's Offices with that of Winn Parish District Attorney's Office of the number of employees on the payroll. The auditor found that Grant Parish District Attorney's Office had 8 permanent employees and LaSalle Parish District Attorney's Office had 10 employees on the payroll. A review of the Winn Parish District Attorney's Office found that there were 29 employees on the payroll. The auditor questions the need for that number of employees on the payroll, particularly in view of the current financial problems of the Winn Parish District Attorney's Office.	The Office should reduce its payroll to a level that can be paid from its current funding sources.
2004-C-5	Transfers From Asset Forfeiture (Fiduciary Fund) to the General Fund (12% Fund) During the year, the District Attorney's Office transferred \$10,000 to the 12% Fund and paid payroll taxes of \$8,431 from the Asset Forfeiture Fund without court approval. The trans actions were originally recorded as income in the 12% Fund. This was corrected in the audited financial statements as a liability from the 12% Fund to the Asset Forfeiture Fund.	Transfers from the Asset Forfeiture Fund should be made only under court order. The 12% Fund (General Fund) should reimburse the Asset Forfeiture Fund \$18,431.
2004-C-6	Budget Variances The District Attorney's Office had an unfavorable expenditure variance of \$(104,558) or 9% and an unfavorable revenue balance of \$(297,305) or 22% during the year. The Budget Act requires that budgets be amended when the variance exceeds 5%.	When revenues fail to meet budgeted revenues or expenditures exceed the budget by 5% or more, the budget should be amended.

SCHEDULE OF FINDINGS AND QUESTIONED COST – (CONT.) For the Year Ended December 31, 2004

Section III - Internal Control

Reference	Description of Finding	Recommendation
2004-I-1	Reporting Errors	•
	During a review of the IV-D reimbursement reports, I found that the August 2004 billing for IV-D reimbursement report included three pay days. The month of August had two pay days resulting in an over charge to the IV-D reimbursement of \$ 6,139.52. Further, a testing of the DA Retirement report found errors in the amount of the payroll reported for August and September of 2004.	These reports should be reviewed by a separate individual, before mailing, for errors in amounts on the report.

Section IV Federal Awards Findings and Questioned Costs.

Not applicable.

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MANAGEMENT LETTER COMMENTS

During the course of my audit, I observed conditions and circumstances that may be improved. Below are findings noted for improvement, my recommendation for improvement and the District's plan for corrective action.

2004-M-1 General & Special Revenue Funds (Worthless Check & Pre-Trial Intervention) Deficit

Finding: The General Fund ended the year with a fund balance deficit of \$(332,443) and Special Revenue Funds (Worthless Checks & Pre-Trial Intervention) ended the year with a deficit of \$(44,431) and \$(18,225) respectively.

Recommendation: The Office should create a financial plan to eliminate the deficit by implementing cost cutting procedures, requesting additional financial assistance from the Winn Parish Police Jury, and requesting more timely reimbursement from grant agencies.

2004-M-2 Non Payment of Payroll Taxes and Retirement Withholding

Finding: The District Attorney's Office is delinquent in paying payroll taxes and retirement withholding as of December 31, 2004. These monies represent withholdings from employees and are funds held in trust by the District Attorney's Office. The withheld amounts should be paid timely ahead of other operational expenses of the office. Failure to do so will result in substantial penalties and interest to the District Attorney's Office.

Recommendation: Trust taxes and retirement withholding should be paid timely before the other operational expenses.

December 31, 2004

MANAGEMENT'S CORRECTIVE ACTION FOR CURRENT YEAR AUDIT FINDINGS

DESCRIPTION OF FINDING	CORRECTIVE ACTION PLANNED PERSON COMPLETION DATE
These payments represent salary AG Opinion 95-145 which compensation to employees to salary increases for future serv past service already rendered of takes the position that these par Article VII Section 14 of the Lo	These payments represent salary increases for future services in accordance with AG Opinion 95-145 which says in part "that payments of additional compensation to employees to be constitutionally valid must be in the form of salary increases for future services to be rendered, not extra compensation for past service already rendered or recompensed." The District Attorney's Office takes the position that these payments do not constitute bonuses in violation of Article VII Section 14 of the Louisiana Constitution of 1974.
The District Attorney will expenditures. Documentation for names and the business purpose	The District Attorney will maintain supporting documentation for all Terry Reeves becomber 31, 2005 expenditures. Documentation for travel expenditures will include the employees? names and the business purpose of the expenditure.
The District Anecessary to ad	The District Attorney will only attend conferences and seminars that are Terry Reeves December 31, 2005 necessary to administer the District Attorney's Office.
The Office of twelve (12) er imbursement grare comparable District Attorne (10).	The Office of the District Attorney has nineteen (19) employees. The costs of the District Attorney has nineteen (19) employees. The costs of the office in number to the permanent employees of the Grant Parish District Attorney's Office (8) and the LaSalle Parish District Attorney's Office (10).

December 31, 2004

MANAGEMENT'S CORRECTIVE ACTION FOR CURRENT YEAR AUDIT FINDINGS (CONTINUED)

	DESCRIPTION OF FINDING	CORRECTIVE ACTION PLANNED	CONTACT	ANTICIPATED COMPLETION DATE
2004-C-5	Transfers From Asset Forfeiture (Fiduciary Fund) to the General Fund (12% Fund)	The District Attorney will only transfer funds from the asset forfeiture fund to the general fund under court order and the District Attorney will reimburse the asset forfeiture fund \$18,431.	Тепу Reeves	December 31, 2005
2004-C-6	Budget Variances	The District Attorney will monitor its budget and amend the budget as needed. The Office is currently in litigation with the Winn Parish Police Jury to require the Jury to fund those expenses of the Office that are mandated by Louisiana Revised Statute 16:6 to be obligations of the Jury.	Terry Reeves	December 31, 2005
2004-I-1	Reporting Errors	The District Attorney's fee accountant will review the reports for accuracy before they are mailed.	Тепу Reeves	December 31, 2005
2004-M-1	General & Special Revenue Funds (Worthless Check & Pre-Trial Intervention) Deficit	Due to the fact that the District Attorney's Office is on a reimbursement basis with most of its special revenue funds and some of its grants, the Office is required to first expend the monies before it can be reimbursed through grants. This often causes what appears to be find balance deficits in its special revenue funds and its general fund. Further, requests for adequate funding from the parish Police Jury have not been accepted or acted upon by the governing body even though Louisiana Revised Statutes 16:6 and 15:304 require the Police Jury to fully fund the operations of the court system. The District Attorney's Office is currently in litigation with the Winn Parish Police Jury to have its funding restored.	Тепту Recves	December 31, 2005

December 31, 2004

MANAGEMENT'S CORRECTIVE ACTION FOR CURRENT YEAR AUDIT FINDINGS (CONTINUED)

2004-M-2	,	The District Attorney's Office will pay payroll taxes and retirement withholdings	Terry Reeves	December 31, 2005	
	Payroll Taxes and	in a timely manner.			
	Retirement				
	Withholding				

STATUS OF PRIOR YEAR FINDINGS FOR THE YEAR ENDED DECEMBER 31, 2004

Legislative Auditor State of Louisiana Baton Rouge, Louisiana 70804-9397

The management of the District Attorney of the Eighth Judicial District has provided the following action summaries relating to audit findings brought to their attention as a result of their financial audit for the year ended December 31, 2003.

2003-C-1 Bonuses Paid to Employees

Finding: The District Attorney's Office paid onetime payments that appear to be bonuses of \$250 to ten of its employees and \$100 to seven of its employees in December of 2003. Article V11R7 Section 14 of the Louisiana Constitution of 1974 prohibits bonuses being paid to employees.

District's Corrective Action: The District Attorney takes the position that the payments are not bonuses.

2003-M-1 General Fund and Special Revenue Funds (Worthless Check and Pre-Trial Intervention) Deficit

Finding: The general fund ended the year with a fund balance deficit of \$78,453 and the special revenue funds (worthless check and pre-trial intervention funds) ended the year with a deficit of \$33,896 and \$7,236 respectively.

District's Corrective Action: The District Attorney failed to correct this action.

AUDIT ADJUSTMENTS FOR THE YEAR ENDED DECEMBER 31, 2004

12% Fund

Reference	Description of Account	Debit	Credit
AJEI	DA Retirement	\$12,068.84	
	DA Retirement Payable		<i>\$5,653.98</i>
	Fund Balance		6,414.86
	*To adjust DA Retirement accrual per W/P AA-6.		
АЈЕ2	Parochial Retirement	10,216.48	
	Retirement Payable		10,216.48
	*To adjust Parochial Retirement accrual per W/P AA-6.		
AJE3	Transfer from IV-D	18,116.00	
	Police Jury		18,116.00
	*To correct misclass Revenue.		
AJE4	Asset Forfeiture Income	18,430.60	
	Due to Asset Forfeiture		18,430.60
	*To reclass Revenue to Due to Asset Forfeiture Fund.		

Asset Forfeiture Fund

Reference	Description of Account	Debit	Credit
AJEI	Due From 12%	\$18,430.60	
	To be Adjudicated		\$18,430.60
	*To correct transfer of funds from Asset Forfeiture to 12%		
	Account		

IV-D Fund

Reference	Description of Account	<u>D</u> ebit	Credit
AJE1	Federal Grant	\$18,116.00	
	Transfer to Operating		\$18,116.00

^{*}To correct Winn Police Jury check posted to IV-D.